

## Message Text

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ORIGIN AF-06

INFO OCT-01 ISO-00 EB-07 SS-15 SP-02 INR-07 AS-01 /039 R

DRAFTED BY AF/W:EWLOLLIS/MPH

APPROVED BY AF/W:TWMSMITH

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R 101104Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY LAGOS

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FOR ATCHLEY FROM LOLLIS

E.O. 11652: N/A

TAGS: ENRG, NI, US

SUBJECT: MINORITY OIL MARKETING PROPOSAL

1. FOR SEVERAL MONTHS I HAVE BEEN IN FREQUENT CONTACT WITH MR. JAMES R. SMITH, CURRENTLY THE DEPUTY DIRECTOR OF THE AMERICAN REVOLUTIONARY BICENTENNIAL ADMINISTRATION IN THE PHILADELPHIA REGION. SMITH IS A BUSINESSMAN AND CIVIC LEADER WHO, IN ADDITION TO HIS WORK FOR ARBA, IS TRYING TO DEVELOP FUTURE PROJECTS FOR COMMUNITY DEVELOPMENT IN THE PHILADELPHIA AREA, ESPECIALLY FOR BLACKS IN THE INNER CITY.

2. AS YOU KNOW FROM MATERIAL POUCHED TO YOU AT ABOUT THE TIME OF THE COUP, SMITH HAS COME UP WITH THE CONCEPT OF A MINORITY-CONTROLLED OIL MARKETING COMPANY WHICH WOULD INITIALLY HAVE AROUND 100 GAS STATIONS. ACCORDING TO THE LETTER DATED JANUARY 6 FROM MR. SHALLIE M. BEY, JR., PRESIDENT OF ALLIANCE ENTERPRISE CORP., A MINORITY ENTERPRISE SUBSIDIARY OF THE SUN OIL CO., SMITH HAS OBTAINED AN EXPRESSION OF INTEREST FROM SUN IN PROVIDING REFINING CAPACITY AND TECHNICAL ASSISTANCE TO THE NEW MARKETING

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COMPANY.

3. AS STATED IN SMITH'S JANUARY 22 LETTER TO DR. M.T.O. AKOBO, THEN COMMISSIONER FOR PETROLEUM AND ENERGY, SMITH WOULD NOW LIKE TO ENTER INTO DISCUSSIONS WITH THE FMG WHICH WOULD MAKE AVAILABLE SOME 10,000 B/D OF NIGERIAN CRUDE ON A LONG TERM BASIS AND POSSIBLY TAKE AN EQUITY POSITION IN THE PROJECT.

4. I HAVE EXPLAINED TO SMITH THAT, TO MY KNOWLEDGE, THE FMG HAS NEVER BEFORE PROVIDED CRUDE ON OTHER THAN ARMS-LENGTH TERMS. HE REPLIES THAT FMG HAS PROBABLY NEVER RECEIVED A PROPOSAL SUCH AS HIS WHICH WOULD UNITE NIGERIANS AND AMERICANS IN A NEW KIND OF JOINT ENDEAVOR.

5. THE COUP AND AKOBO'S REPLACEMENT BY LT. COL. BUHARI HAVE OBVIOUSLY SIDETRACKED SMITH'S ORIGINAL INTENTION, I.E. THAT YOU DELIVER HIS LETTER TO AKOBO. HE NOW WISHES TO TELEPHONE AMBASSADOR EASUM, TO OBTAIN FROM HIM ADVICE ON THE BEST WAY FOR HIM TO ENTER INTO DISCUSSIONS WITH THE FMG, AND THEN TO VISIT NIGERIA AS SOON AS IT SEEMS APPROPRIATE.

6. SMITH AGREED TO HOLD OFF HIS PHONE CALL UNTIL EARLY NEXT WEEK SO YOU WOULD FIRST HAVE THE OPPORTUNITY TO DISCUSS HIS PROPOSAL WITH THE AMBASSADOR AND TO PREPARE HIM TO ANSWER SUCH QUESTIONS AS THE FOLLOWING: SHOULD HE WRITE A NEW LETTER TO BUHARI OR TO SOMEONE ELSE? WOULD ANOTHER NIGERIAN DECISION-MAKER BE MORE LIKELY TO RESPOND TO SMITH'S IMAGINATIVE CONCEPT? WHEN SHOULD HE VISIT LAGOS? CAN THE EMBASSY ARRANGE HIS FIRST MEETING WITH BUHARI?

7. WOULD APPRECIATE YOUR LETTING ME KNOW ONCE SMITH'S TELEPHONE CALL HAS TAKEN PLACE.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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